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January 10, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: Reply Comments of the Lower Colorado River Authority in CC Docket  
Number 96-45

Dear Mr. Caton:

Enclosed please find an original and four (4) copies of the Reply Comments of the Lower Colorado River Authority in the above-captioned docket. One copy of the Reply Comments have also been sent to International Transcription Service.

Please direct any questions that you may have to the undersigned.

Sincerely,



Thomas J. Keller

Enclosures

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of

Federal-State Joint Board on  
Universal Service

)  
) CC Docket No. 96-45  
)  
)  
)

**REPLY COMMENTS OF THE LOWER COLORADO RIVER AUTHORITY**

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January 10, 1997

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 ) CC Docket No. 96-45  
Federal-State Joint Board on )  
Universal Service )  
 )

**REPLY COMMENTS OF THE LOWER COLORADO RIVER AUTHORITY**

The Lower Colorado River Authority ("LCRA"), by its attorneys and pursuant to Section 1.429 of the Commission's Rules,<sup>1/</sup> respectfully submits these reply comments in response to comments submitted by UTC, The Telecommunications Association ("UTC"), the American Public Power Association ("APPA"), and the National Rural Electric Cooperative Association ("NRECA") regarding the Recommended Decision (released November 8, 1996) in the above-captioned proceeding.

LCRA notes that these organizations agree with LCRA's position that operators of internal, private communications networks should not be required to make contributions to the universal service mechanisms. These organizations also unanimously agree that the Joint Board's recommended interpretations of the definitions of "telecommunications service" and "telecommunications carriers" are fatally flawed to the extent that they would encompass operators of private communications

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<sup>1/</sup> 47 C.F.R. §1.429 (1995).

networks, and thus, subject such private network operators to mandatory contributions to universal service support mechanisms.

Specifically, LCRA supports the comments of UTC, APPA, and NRECA rejecting the Joint Board's attempt to characterize the provision of bulk capacity to third parties on a private carrier basis as a "telecommunications service"<sup>2/</sup> In their comments, UTC, APPA and NRECA clearly explain the legal basis for the distinction between common carrier services subject to mandatory contributions to universal service mechanisms under Section 254(d) of the Telecommunications Act and private internal networks that are not required to contribute under the Act.

LCRA also supports UTC's suggestion that the FCC reject the Joint Board's interpretation of "for a fee" within the definition of "telecommunications service" with regard to cost-sharing arrangements between private system owners or operators.<sup>3/</sup> LCRA agrees with UTC and the FCC's earlier interpretation of this phrase in the Interconnection proceeding<sup>4/</sup> that such cost-sharing arrangements do not equate to the provision of telecommunications "for a fee."

For the foregoing reasons, LCRA urges the Commission to adopt rules that do not require non-profit, private network operators to make mandatory contributions to universal service mechanisms.

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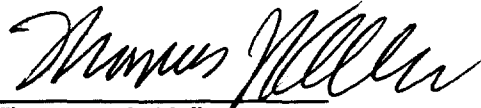
2/ See UTC Comments at 7-10; APPA Comments at 7-9; NRECA Comments at 2.

3/ See UTC Comments at 6.

4/ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report and Order, CC Docket No. 96-98, CC Docket No. 95-185 (August 8, 1996), 61 Fed. Reg. 45,476 (1996).

Respectfully submitted,

LOWER COLORADO RIVER AUTHORITY

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Dated: January 10, 1997

## **CERTIFICATE OF SERVICE**

I, Renee K. Kernan, a secretary with the law firm of Verner, Lipfert, Bernhard, McPherson and Hand, hereby certify that on this 10th day of January, 1997, a copy of the Reply Comments of the Lower Colorado River Authority was mailed, first-class, postage prepaid to:

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